9th ENTSO-E independent Advisory Council Meeting

Date: 14 February 2019
Time: 10h00 – 13h00, followed by lunch
Place: ENTSO-E premises, Avenue de Cortenbergh 100, room AMPERE, 6th Floor

DECISIONS AND RECOMMENDATIONS

1.   Welcome, approval of agenda and minutes

> The agenda of the meeting is approved.

Election for Chair and Vice-Chair

> **Giles Dickson** (WindEurope) is elected Chair of the independent Advisory Council (iAC) and **Eva Schmid** (RGI / Germanwatch) is elected Vice-Chair, both for a two-year mandate.

2.   Updates on the ENTSO-E agenda

PowerFacts Europe 2019

ENTSO-E provides an overview of the main topics covered in its recently-released publication "PowerFacts Europe 2019". WindEurope commends ENTSO-E on this publication and offers to help fill data gaps, for instance on demand response, for future versions.

ENTSO-E's transparency platform vision and the price transparency of NEMO's

ENTSO-E debriefs the iAC on the state-of-play of updates to its online Transparency Platform, and presents mock-ups of the future graphical user interface.

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In the context of recent exchanges between the Commission and NEMO's, the iAC discusses re-use rights for market data processed by power exchanges in the context of the Transparency Platform. The IaC recognizes the key role of the Transparency Platform to provide transparency to the market, thereby empowering market participants to develop innovative business models. The discussion has indicated that nearly all members of the Council agree that high-quality market data should be available for free re-use for the market participants with a view that an open data license should cover all data published on the TP, irrespective of who owns and has submitted data to the ENTSO-E Transparency Platform and would support the introduction of legislation to obtain this, if considered necessary. The iAC will adopt a formal position on this subject matter in the next iAC meeting in June.

One iAC member expresses interest in seeing data related to system operation on the transparency platform, e.g. frequency deviations. On transparency more broadly, another

member asks for consultations that are generally less technical, that provide guidance where they are technical, and that provide stakeholders with longer timelines to respond.

3.   Article 14, Electricity Regulation

Some iAC members ask for informal discussions on Article 14, in order to improve understanding of the final text.

ENTSO-E underlines the need for technical discussion on this topic to be held in in its Market Stakeholder Committee (MESC), and while it is not against such discussions in the iAC, mentions that the topic has been discussed many times previously and views have consistently been divergent.

ENTSO-E explain that their current focus is rather on the legal obligations of Clean Energy Package (CEP), and that it would be useful for the Commission (EC) to provide guidance on how we should begin approaching this. The EC observer member informs the iAC that the date of application stands at 1st January 2020, but acknowledges there are rules and related timelines that would need adjustment. The Commission is working on a Roadmap, which could be ready for the upcoming Florence Forum.

On longer-term market design, ENTSO-E will conduct a workshop with stakeholders on its 'Vision 2030', expected to be held in Q2 (tbc).

4.   Update on the Horizon2020 INTERRFACE Project

ENTSO-E presents its objectives and the topics covered under the INTERRFACE project, i.a. dynamic pricing, local-level pricing to incentivise TSO-DSO cooperation, Active System Management; and for the EUPHEMIA market coupling algorithm to be able to cope with new demand response requirements. INTERRFACE will not create new platforms, but aims as far as possible towards guidelines.

EDSO debriefs on its ongoing projects in this area at national level, in addition to a Commission project and a recent data report on active system management.

5.   TYNDP

ENTSO-E presents a map of price spreads in Europe across various energy policy and grid development scenarios for 2030. It also presents its headline figures for system needs in 2040: the cost savings and savings in terms of curtailed energy for the 2040 scenario grid against a "no-grid" scenario.

The iAC discuss the TYNDP's assumptions, and ENTSO-E agrees to share its assumptions on renewables, DSR and storage. The iAC agrees "that there is a need to look holistically at the future scenarios, also beyond electricity."

ENTSO-E presents its TYNDP 2018 projects map. An iAC member suggests avoiding use of the use of the term "dumped energy" instead of curtailment and also to better communicate on TYNDP "crucial unknowns" relevant to the scenarios, from a modelling perspective.

ENTSO-E is encouraged to coordinate its scenario work with other ongoing discussions related to e.g. the Pentalateral Forum (PLEF), and the draft national energy and climate plans (NECPs).

6. Sector Coupling:

ENTSO-E presents the Interlinked Electricity and Gas Model 1, which focuses on joint scenario building for the TYNDP 2018. It also presents the tasks under the Interlinked Model 2 that is under development for the TYNDP 2020, including work towards dual (gas-electricity) system assessments. A study on this topic is underway, to be finalised by March 2019, and stakeholder inputs are expected in a May workshop and the 2019 Infrastructure Forum.

ENTSO-E presents the six joint actions of ENTSO-E and ENTSOG that were agreed between both Presidents in December.

The iAC discusses various expectations and uncertainties for the future energy system, in particular on challenges beyond the decarbonisation of electricity, for instance on expectations for the gas sector, power-to-gas in particular, DSO's, heat, and cost impacts for industry.

ENTSO-E notes it is increasingly expected to provide simple assessments between various types of infrastructure beyond interconnection and demands for ever-increasing detail. An iAC member expresses support to resist this trend – which may be prone to building in bias – and to maintain a high-level approach to such assessments.

7. ENTSO-E response to iAC advice paper *"Internal ENTSO-E decision making process and compromises regarding draft Network Codes and policy papers"*

ENTSO-E responds to the points made in the iAC advice note as follows:

- On different approaches to balancing, it is noted that this has already been addressed in ACER's Balancing Framework Guideline. While there are fundamental differences in operating the system (e.g. market/procurement, proactive/reactive approaches) in different areas, limits have been set to move towards a more central-dispatch system.
- On differing Fault Ride Through specifications, ENTSO-E is convinced that further harmonisation may actually be a disadvantage for market liquidity.

- On voting rules ENTSO-E explains that Qualified Majority Voting (QMV) is currently used, while unanimity aimed for; this serves as a useful mechanism to push for harmonisation and not only the lowest common denominator.
- On the involvement of 3rd parties in drafting of legally-binding rules, ENTSO-E responds that such involvement through consultations is conducted in a way that goes beyond minimum requirements.
- On the call for more diversified opinions to be included in policy papers, this has been noted by ENTSO-E and this approach was taken e.g. on TSO-DSO cooperation.

The iAC notes the response and calls for more ambition in this area.